

MINUTES  
OF THE  
INVESTMENT POLICY COMMITTEE  
HELD  
THURSDAY, JUNE 14, 2012 – 3:00 P.M.

Present: Investment Policy Committee Members Roderick Bashir  
Devon Bruce  
Michele Bush

Board Members Steven Powell

Staff

Andrew Armonaitis  
William Atwood  
Johara El-Harazin  
Adanna Ene, via telephone  
Tim Kominiarek  
Scott Richards  
Linsey Schoemehl  
Katherine Spinato  
Alise White, via telephone

<u>Guests</u>	Marquette Associates Brian Wrubel, Elizabeth Francis, Dave Smith Office of the State Treasurer Bridget Byron SEIU Edgar Hernandez Loop Capital Jason Park
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Absent: Investment Policy Committee Members John Casey  
Thomas Hoffman

## ***ROLL CALL***

The meeting was called the meeting to order at 2:35 p.m. The Secretary called the roll and noted that a quorum was present.

## ***ELECTION OF CHAIRMAN***

Director Atwood reported that Judge Hoffman had resigned as Chairman of the Investment Policy Committee at the meeting of the Executive Committee held February 10, 2012 and therefore, an election was in order.

Ms. Bush moved to nominate Devon Bruce as Chairman of the Investment Policy Committee. Mr. Bashir seconded. There being no further nominations, Mr. Bruce was unanimously elected Chairman of the Investment Policy Committee.

## ***MINUTES OF PREVIOUS MEETING***

Mr. Bashir moved to approve the minutes of the Investment Policy Committee meeting held December 15, 2011, in the form previously submitted. Ms. Bush seconded and the motion passed unanimously.

## ***DISCUSSION OF HEDGED EQUITY FUNDS OF FUNDS***

Chairman Bruce initiated discussion on the hedge fund portfolio and referred to Director Atwood to discuss. Director Atwood reviewed the ISBI hedge fund portfolio including a fee schedule that had been distributed. (Official minutes contain attachment.)

Following review and discussion, the Director stated that specific strategy and recommendation regarding the hedge fund portfolio would be presented at the September meeting.

## ***INVESTMENT MANAGER PRESENTATIONS***

### **Large Cap Equity**

*LSV Asset Management* – Messrs. Bruch and Swaminathan were invited to join the meeting and distributed copies of written presentations. Following the presentation, Chairman Bruce thanked the Decatur representatives for the informative presentation. The LSV representatives thanked the Committee Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

*Herndon Capital* – Messrs. Holly and Sydnor were invited to join the meeting and distributed copies of written presentations. Following the presentation, Chairman Bruce thanked the Decatur representatives for the informative presentation. The Herndon representatives thanked the Committee Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

*Decatur Capital* – Mr. Wright and Ms. Crenshaw were invited to join the meeting and distributed copies of written presentations. Following the presentation, Chairman Bruce thanked the Decatur representatives for the informative presentation. The representatives thanked the Committee Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

*Clarion Partners* – Messrs. Morrison and Spey were invited to join the meeting and distributed copies of written presentations. Following the presentation, Chairman Bruce thanked the Clarion representatives for the informative presentation. The representatives thanked the Committee Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

*Valor Equity Partners* – Messrs. Gracias and Sheftel were invited to join the meeting and distributed copies of written presentations. Following the presentation, Chairman Bruce thanked the Valor representatives for the informative presentation. The representatives thanked the Committee Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

*Ariel Investments* – Messrs. Rogers, Kuhrt and Ms. Rivers were invited to join the meeting and distributed copies of written presentations. Following the presentation, Chairman Bruce thanked the Ariel representatives for the informative presentation. The representatives thanked the Committee Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

#### ***UNFINISHED BUSINESS***

None.

#### ***NEW BUSINESS***

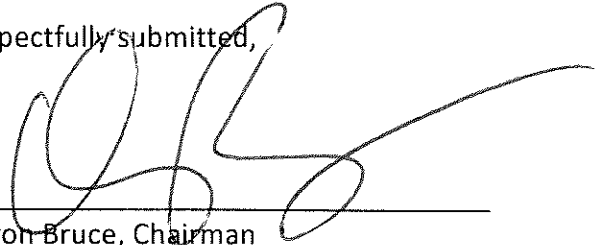
None.

***NEXT MEETING AND ADJOURNMENT***

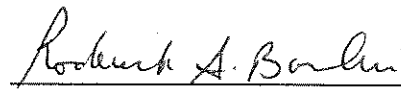
Chairman Bruce stated that the next meetings of the Investment Policy Committee would be scheduled in the future and all Board Members would be notified.

At 5:30 p.m., there being no further business to come before the Committee, Mr. Bashir moved to adjourn. Ms. Bush seconded and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Devon Bruce', written over a horizontal line.

Devon Bruce, Chairman  
Investment Policy Committee

A handwritten signature in black ink, appearing to be 'Roderick A. Bashir', written over a horizontal line.

Roderick Bashir, Vice Chairman  
Illinois State Board of Investment